

Waste Connections Reports Second Quarter 2007 Results

- Reports revenue of \$241.1 million and earnings per share of \$0.36
- Revenue and operating income increase 16.5% and 31.8%, respectively
- Reports combined price and volume growth of 10.0%
- Repurchases approximately \$51.9 million YTD of common stock
- Reports YTD free cash flow of \$51.4 million, or 11.2% of revenue

PRNewswire-FirstCall
FOLSOM, Calif.

Waste Connections, Inc. today announced its results for the second quarter 2007. Revenue totaled \$241.1 million, a 16.5% increase over revenue of \$207.0 million in the year ago period. Operating income was \$53.8 million, a 31.8% increase over operating income of \$40.8 million in the second quarter of 2006. Net income in the quarter was \$25.3 million, or \$0.36 per share on a diluted basis of 70.6 million shares. In the year ago period, the Company reported net income of \$19.2 million and diluted earnings per share of \$0.27. Net income in the prior year period included additional development costs for insurance claims from prior years of \$3.8 million (\$2.4 million net of taxes, or approximately \$0.03 per share).

"We continue to be extremely pleased with our results. Core pricing and commodity prices remain strong. Volume growth accelerated in the quarter due to typical seasonality, ramping of new contracts, and a notable increase in disposal volumes," said Ronald J. Mittelstaedt, Chairman and Chief Executive Officer. "We expect these trends to continue into the third quarter, putting us on track to exceed the upper end of our original outlook for the year."

For the six months ended June 30, 2007, revenue was \$460.0 million, a 15.8% increase over revenue of \$397.1 million in the year ago period. Operating income was \$100.2 million, a 25.3% increase over operating income of \$80.0 million for the same period in 2006. Net income for the six months ended June 30, 2007, was \$47.6 million, or \$0.67 per share on a diluted basis of 70.6 million shares. In the year ago period, the Company reported net income of \$34.9 million, or \$0.49 per share on a diluted basis of 70.9 million shares.

Waste Connections will be hosting a conference call related to second quarter earnings and third quarter outlook on July 24th at 8:30 A.M. Eastern Time. The call will be broadcast live over the Internet at www.streetevents.com and through a link on the Company's web site at www.wasteconnections.com. A playback of the call will be available at both of these sites.

For non-GAAP measures, see accompanying Non-GAAP Reconciliation Schedule.

Waste Connections, Inc. is an integrated solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly secondary markets in the Western and Southern U.S. The Company serves more than one million residential, commercial and industrial customers from a network of operations in 23 states. The Company also provides intermodal services for the movement of containers in the Pacific Northwest. Waste Connections, Inc. was founded in September 1997 and is headquartered in Folsom, California.

For more information, visit the Waste Connections web site at www.wasteconnections.com. Copies of financial literature, including this release, are available on the Waste Connections web site or through contacting us directly at (916) 608-8200.

Certain statements contained in this press release are forward-looking in nature. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy. Waste Connections' business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) Waste Connections may be unable to compete effectively with larger and better capitalized companies and governmental service providers; (2) increases in the price of fuel may adversely affect Waste Connections' business and reduce its operating margins; (3) increases in labor and disposal and related transportation costs could impact Waste Connections' financial results; (4) increases in insurance costs and the amount that Waste Connections self-insures for various risks could reduce its operating margins and reported earnings; (5) Waste Connections' financial results are based upon estimates and assumptions that may differ from actual results; (6) efforts by labor unions could divert management attention and adversely affect operating results; (7) Waste

Connections may lose contracts through competitive bidding, early termination or governmental action; (8) Waste Connections' results are vulnerable to economic conditions and seasonal factors affecting the regions in which it operates; (9) Waste Connections may be subject in the normal course of business to judicial and administrative proceedings that could interrupt its operations, require expensive remediation and create negative publicity; (10) competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit Waste Connections' ability to grow through acquisitions; (11) Waste Connections' growth and future financial performance depend significantly on its ability to integrate acquired businesses into its organization and operations; (12) Waste Connections' acquisitions may not be successful, resulting in changes in strategy, operating losses or a loss on sale of the business acquired; (13) because Waste Connections depends on railroads for its intermodal operations, its operating results and financial condition are likely to be adversely affected by any reduction or deterioration in rail service; (14) Waste Connections' intermodal business could be adversely affected by steamship lines diverting business to ports other than those Waste Connections services, or by heightened security measures or actual or threatened terrorist attacks; (15) Waste Connections depends significantly on the services of the members of its senior and district management team, and the departure of any of those persons could cause its operating results to suffer; (16) Waste Connections' decentralized decision-making structure could allow local managers to make decisions that adversely affect Waste Connections' operating results; (17) Waste Connections may incur additional charges related to capitalized expenditures, which would decrease its earnings; (18) the outcome of audits by the Internal Revenue Service may adversely affect Waste Connections; (19) each business that Waste Connections acquires or has acquired may have liabilities that Waste Connections fails or is unable to discover, including environmental liabilities; (20) liabilities for environmental damage may adversely affect Waste Connections' business and earnings; and (21) the adoption of new accounting standards or interpretations could adversely impact Waste Connections' financial results. These risks and uncertainties, as well as others, are discussed in greater detail in Waste Connections' filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K. There may be additional risks of which Waste Connections is not presently aware or that it currently believes are immaterial which could have an adverse impact on its business. Waste Connections makes no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF INCOME
THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND 2007
(Unaudited)
(in thousands, except share and per share amounts)

	Three months ended June 30, 2006 2007		Six months ended June 30, 2006 2007	
Revenues	\$206,970	\$241,084	\$397,139	\$460,035
Operating expenses:				
Cost of operations	126,574	141,574	239,637	270,443
Selling, general and administrative	20,621	24,790	40,422	48,700
Depreciation and amortization	18,736	20,930	36,968	40,520
Loss on disposal of assets	236	32	154	192
Operating income	40,803	53,758	79,958	100,180
Interest expense	(6,619)	(8,295)	(14,113)	(16,113)
Minority interests	(3,317)	(4,130)	(6,028)	(6,970)
Other income (expense), net	11	365	(3,982)	417
Income before income taxes	30,878	41,698	55,835	77,514
Income tax provision	(11,678)	(16,432)	(20,912)	(29,868)
Net income	\$19,200	\$25,266	\$34,923	\$47,646
Basic earnings per common share	\$0.28	\$0.37	\$0.51	\$0.70
Diluted earnings per common share	\$0.27	\$0.36	\$0.49	\$0.67
Shares used in the per share				

calculations:

Basic	67,761,623	68,592,474	68,130,920	68,529,546
Diluted	70,327,836	70,625,086	70,854,725	70,606,846

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and per share amounts)

	December 31, 2006	June 30, 2007
ASSETS		
Current assets:		
Cash and equivalents	\$34,949	\$9,971
Accounts receivable, net of allowance for doubtful accounts of \$3,489 and \$3,811 at December 31, 2006 and June 30, 2007, respectively	100,269	113,442
Deferred income taxes	9,373	11,203
Prepaid expenses and other current assets	15,642	16,275
Total current assets	160,233	150,891
Property and equipment, net	736,428	791,117
Goodwill	750,397	765,557
Intangible assets, net	86,098	85,529
Restricted assets	15,917	16,928
Other assets, net	24,818	23,215
	\$1,773,891	\$1,833,237
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$53,010	\$54,412
Book overdraft	--	5,838
Accrued liabilities	57,810	59,339
Deferred revenue	32,161	38,312
Current portion of long-term debt and notes payable	6,884	6,657
Total current liabilities	149,865	164,558
Long-term debt and notes payable	637,308	635,852
Other long-term liabilities	16,712	29,303
Deferred income taxes	205,532	208,425
Total liabilities	1,009,417	1,038,138
Commitments and contingencies		
Minority interests	27,992	28,690
Stockholders' equity:		
Preferred stock: \$0.01 par value; 7,500,000 shares authorized; none issued and outstanding	--	--
Common stock: \$0.01 par value; 100,000,000 shares authorized; 68,266,038 and 68,037,249 shares issued and outstanding at December 31, 2006 and June 30, 2007, respectively	455	680
Additional paid-in capital	310,229	289,713
Retained earnings	422,731	473,046
Accumulated other comprehensive income	3,067	2,970
Total stockholders' equity	736,482	766,409
	\$1,773,891	\$1,833,237

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2006 AND 2007
(Unaudited)
(Dollars in thousands)

Six months ended

June 30,
2006 2007

Cash flows from operating activities:

Net income	\$34,923	\$47,646
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on disposal of assets	154	192
Depreciation	34,946	38,459
Amortization of intangibles	2,022	2,061
Deferred income taxes, net of acquisitions	6,026	3,741
Minority interests	6,028	6,970
Amortization of debt issuance costs	5,271	961
Stock-based compensation	1,576	3,134
Interest income on restricted assets	(288)	(261)
Closure and post-closure accretion	300	522
Excess tax benefit associated with equity-based compensation	(5,501)	(8,534)
Net change in operating assets and liabilities, net of acquisitions	10,539	12,387
Net cash provided by operating activities	95,996	107,278

Cash flows from investing activities:

Payments for acquisitions, net of cash acquired	(34,838)	(40,591)
Capital expenditures for property and equipment	(49,038)	(64,509)
Proceeds from disposal of assets	313	559
Increase in restricted assets, net of interest income	(617)	(750)
Increase in other assets	(236)	(485)
Net cash used in investing activities	(84,416)	(105,776)

Cash flows from financing activities:

Proceeds from long-term debt	631,997	42,000
Principal payments on notes payable and long-term debt	(569,619)	(45,668)
Change in book overdraft	(5,333)	5,838
Proceeds from option and warrant exercises	24,916	21,082
Excess tax benefit associated with equity-based compensation	5,501	8,534
Distributions to minority interest holders	(4,900)	(6,272)
Payments for repurchase of common stock	(87,744)	(51,894)
Debt issuance costs	(6,185)	(100)
Net cash used in financing activities	(11,367)	(26,480)

Net increase (decrease) in cash and equivalents	213	(24,978)
Cash and equivalents at beginning of period	7,514	34,949
Cash and equivalents at end of period	\$7,727	\$9,971

ADDITIONAL STATISTICS
THREE MONTHS ENDED JUNE 30, 2007
(Dollars in thousands)

Internal Growth: The following table reflects revenue growth for operations owned for at least 12 months:

	Three Months Ended June 30, 2007	
Price	4.7%	
Volume	5.3%	
Intermodal, Recycling and Other		1.4%
Total	11.4%	

Uneliminated Revenue Breakdown:

	Three Months Ended June 30, 2007	
Collection	\$172,401	62.9%

Disposal and Transfer	78,569	28.7%
Intermodal, Recycling and Other	22,936	8.4%
Total	\$273,906	100.0%

Inter-company elimination \$32,822

Days Sales Outstanding for the three months ended June 30, 2007: 43
(28 net of deferred revenue)

Internalization for the three months ended June 30, 2007: 67%

Other Cash Flow Items for the three months ended June 30, 2007:

Cash Interest Paid: \$10,114

Cash Taxes Paid: \$14,265

Debt to Capitalization: 45.6%

Share Information for the three months ended June 30, 2007:

Basic shares outstanding	68,592,474
Dilutive effect of options and warrants	1,687,348
Dilutive effect of restricted stock	345,264
Diluted shares outstanding	70,625,086

Shares repurchased 1,502,890

NON-GAAP RECONCILIATION SCHEDULE (in thousands)

Free cash flow, a non-GAAP financial measure, is provided supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. Waste Connections defines free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets and excess tax benefit associated with equity-based compensation, plus or minus change in book overdraft, less capital expenditures for property and equipment and distributions to minority interest holders. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Management uses free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. Other companies may calculate free cash flow differently.

Free cash flow reconciliation:

	Three Months Ended June 30, 2007	Six Months Ended June 30, 2007
Net cash provided by operating activities	\$46,364	\$107,278
Plus: Change in book overdraft	5,838	5,838
Plus: Proceeds from disposal of assets	344	559
Plus: Excess tax benefit associated with equity-based compensation	6,274	8,534
Less: Capital expenditures for property and equipment	(28,362)	(64,509)
Less: Distributions to minority interest holders	(3,920)	(6,272)
Free cash flow	\$26,538	\$51,428
Free cash flow as % of revenues	11.0%	11.2%

First Call Analyst:
FCMN Contact:

SOURCE: Waste Connections, Inc.

CONTACT: Worthing Jackman of Waste Connections, Inc., +1-916-608-8266,
worthingj@wasteconnections.com

Web site: <http://www.wasteconnections.com/>

<https://investors.wasteconnections.com/2007-07-23-Waste-Connections-Reports-Second-Quarter-2007-Results>